Government of Saskatchewan

2005 Annual Report

Saskatchewan Milk Control Board

Seventy-First Annual Report for the twelve months ended December 31, 2005

THE MILK CONTROL BOARD, 2005 PERSONAL SERVICES (unaudited)

Listed are individuals excluding unionized employees, who received payments for salaries, taxable benefits, honoraria, travel, etc., which totalled $2,500 or more.

	Salaries & Taxable Benefits	Travel	Total
Staff			
Gerry Gartner	$106,972.75	$23,472.34	$130,445.09
Jerry A. Frass	66,481.75	68.01	66,549.76
Mary Ann Costron	52,434.75	325.29	52,760.04
Unionized Employees	92,951.50	11,838.13	104,789.63
Sub Total	$318,840.75	$35,703.77	$354,544.52
	Honoraria	**Travel**	**Total**
M.C.B. Members			
Leonard Blocka	13,512.50	20,693.97	34,206.47
David Christensen	3,991.25	7,315.67	11,306.92
David Finlay	4,713.15	5,598.18	10,311.33
Joe Guenther	4,650.00	5,370.54	10,020.54
Joanne Mortenson	2,286.25	4,143.79	6,430.04
Garf Stevenson	2,654.37	714.99	3,369.36
Sub Total	$ 31,807.52	$ 43,837.14	$75,644.66
Dairy Industry Committee			
Emile Marquette	4,727.50	14,941.42	19,668.92
Phil Klassen	3,216.25	8,219.00	11,435.25
Others	1,085.00	1,485.91	2,570.91
Sub Total	$ 9,028.75	$ 24,646.33	$ 33,675.08

Supplier Payments:

Listed are payees who received $20,000 or more for providing goods and services including office supplies, advertising, contracts, legal, equipment, etc.

Producer Payment	raw milk sales	$144,555,706.37
Unsaleable milk	milk below national quality standards	109,856.49
Dairyland Fluid Division	producer payment services	69,400.70
SREIT (NCO) Building Ltd.	office rent and parking	32,814.23
Wheatland Accounting	accounting service for Cost of Production	42,390.48
Agriculture, Food & Rural Revitalization	milk component testing	29,052.64
Payees under $20,000		83,135.17
Sub Total		$144,922,356.08

GRAND TOTAL	$359,677.02	$104,187.24	$145,386,220.34

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Letter of Transmittal

The Honourable Lorne Calvert
President of the Executive Council
Province of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Milk Control Board for the year 2005.

Leonard Blocka

Leonard Blocka
Chairman

Board Members

The Board is comprised of six members appointed by the Lieutenant Governor-in-Council.

Members are:

Chairperson

Mr. Leonard Blocka, Prince Albert

Members

Dr. David Christensen, Saskatoon
Ms. Joanne Mortenson, Saskatoon
Mr. Garf Stevenson, Regina
Mr. David Finlay, Delisle
Mr. Joe Guenther, Osler

Mandate and Mission

The Milk Control Board is a body corporate and exercises its responsibilities as set out in *The Milk Control Act, 1992*. The Board plays a central role in the formation and implementation of Saskatchewan dairy policy. The *Act* empowers the Board to make regulations or orders in relation to the production, supply, pricing or sale of milk and to inquire into or conduct hearings pertaining to any of the foregoing. The *Act* also allows the Board to enter into contracts and other agreements that the Board considers appropriate to carry out its responsibilities.

To reflect the Board's industry-wide mandate, Members are drawn from production, processing and consumption sectors.

The Board's mission is: to work in collaboration with producers, processors, and various government agencies to develop and implement policies and programs which provide producers with the opportunity to obtain a fair return on their labour and investment, while providing consumers with an adequate supply of high quality dairy products at reasonable prices.

The Board strives to accomplish its mission by balancing, and serving the interests of all dairy stakeholders – producers, processors, consumers and government.

Introduction

During 2005, Saskatchewan and other Canadian producers completed the first full year of operating under the strict disciplines of the new national quota management policy. The new management system involved the creation of two, six month reconciliation periods, and more strict disciplines to prevent under or over production.

The essence of the new quota management policy is to achieve a closely orchestrated national system, implemented by the provinces to achieve the national objective – that is, to supply 100% of the domestic market on a continuous basis, but not to create surpluses that do not have a market opportunity.

During the first year of its operation, Saskatchewan dairy producers responded well to the new challenge, and completed the dairy year by utilizing 99.46% of their quota allocation. Producers took full advantage of the Milk Control Board's quota swapping and quota management programs in order to meet the production challenges associated with the new national production system.

Having established the basis for an effective national quota management policy, the Canadian Milk Supply Management Committee has turned its attention to refining various elements of the policy, and to address other emerging issues that threaten the viability of the domestic milk industry. Foremost among these is the erosion of the market for milk components by low priced imports of butter oil and milk protein ingredients.

Milk Production and Utilization

There are two marketing structures for milk in Canada. Federal Government authority to regulate the marketing of fluid milk is delegated to the provinces. The Canadian Dairy Commission, a federal crown corporation, collaborates with the provinces in the administration of the supply management system for industrial milk.

Each province in Canada regulates the production and manufacturing of milk within its own borders and sets pricing procedure, quota policies and other regulations. Marketing activities related to industrial milk, which was manufactured into products that were shipped across provincial boundaries, were carried out according to the terms and conditions of a federal-provincial agreement, the National Milk Marketing Plan.

The year under review saw an increase in milk marketed by Saskatchewan milk producers. Producers shipped 217,263,872 litres of milk to the fluid milk pool in 2005.

This represented a decrease of approximately 1.3 million litres, or a 0.63 percent decrease from the previous year (Table II). Producers received a total value of $144,564,706 in 2005, which represented a 4.30 percent increase from 2004.

The average number of milk producers decreased 5.93 percent from 278 in 2004 to 262 in 2005. The average daily shipment per producer increased from 2,152 to 2,273 litres per day, an increase of 5.63 percent (Table II). Class 1 milk, or milk processed for Saskatchewan fluid consumption, amounted to 82,889,290 litres of milk in 2005.

The Canadian dairy industry operates on butterfat quotas, and on a "dairy year" basis, which runs from August 1 to July 31 of the following year. In Saskatchewan, producers shipped a total of 8,165,166 kilograms of butterfat during the 2004-2005 dairy year (Table III), representing a utilization of approximately 99.46 percent of the provincial yearly quota allotment. The average butterfat test on all milk was 3.71 percent per hectolitre, a decrease from the 3.72 percent average from the previous year (Table V).

In October 2005, the Board allocated all of the province's total yearly milk quota to milk producers. Based on production levels from August 1, 2005 to December 31, 2005 and quota allocated to producers, the Board determined that the province's total yearly butterfat quota allotment of 8,191,606 kilograms of butterfat would be fully utilized by approved milk producers during the 2005-2006 dairy year.

Producer Pools

The Saskatchewan fluid milk pool successfully completed its thirtieth year of operation.

The Board maintained a single milk pool system for both fluid and industrial milk. Under pooling, the Board has the responsibility for purchasing all milk from registered milk producers and selling it to the processor. Each producer was allocated a quota based on Saskatchewan's quota policy and designed to meet the province's quota needs.

Multiple Component Pricing (MCP) was implemented in Saskatchewan on August 1, 1999. This decision was in keeping with commitments made by Saskatchewan when the Western Milk Pool Agreement was signed in 1997. With MCP there should be greater equity among producers and processors. Under MCP producers receive the true value of the total solids in the milk they supply and processors pay according to the components they receive. For example, more protein in the milk enables processors to obtain a higher cheese yield and therefore price the milk accordingly.

Overall, MCP should provide a mechanism for the dairy industry to be more market responsive as the demand for various components continues to evolve in the future.

In 2005, the price of Class 1 milk was increased by $0.98 per hectolitre on June 1. The price increase was triggered by the Alberta pricing formula, the pricing mechanism agreed to by the provinces participating in the Western Milk Pool.

At the Federal level, the Industrial Target Return Formula price (Classes 2 to 5) was increased on one occasion, February 1, 2005. As of this date, the support price for skim milk powder increased from $5.3928 to $5.7282 per kilogram, and for butter from $6.2968 to $6.8695 per kilogram. The assumed processor margin increased by 4.2 percent, or $5.00 per hectolitre.

In August, 1995, dairy stakeholders implemented Special Class milk pricing and pooling. This has been designed to better accommodate the dairy industry and the World Trade Organization. This allowed dairy processors and other food processors to remain competitive on domestic and global markets.

This pooling system is administered by the Canadian Dairy Commission and provides milk to food manufacturing processors and exporters at competitive prices. Returns for the milk sold as Special Class milk are pooled among all dairy producers in the ten provinces, which are signatories to the National Milk Marketing Plan.

Under the second pooling arrangement, known at the Western Milk Pool, the revenue from all milk sales (fluid and industrial) is pooled among the producers of British Columbia, Alberta, Saskatchewan and Manitoba. The agreement generates new opportunities, new challenges, and greater flexibility for processors in the four western provinces. It ensures producers a more predictable and stable environment and allows processors to rationalize their plants to improve efficiency and competitiveness.

During 2001, the Western Milk Pool Coordinating Committee took steps to further improve the operations of the Agreement by harmonizing Class 2 – 4 prices across the region. This measure, taken to further level the competitive playing field, came into effect on February 1, 2002.

Marketing and Transportation

At year-end, the Board marketed milk to only one Saskatchewan processing plant operated by Saputo Inc. at Saskatoon.

Agrifoods International Cooperative Ltd. continued to serve as agent of the Board for the transportation of all milk produced in the province. This organization continued to restructure raw milk pick up to increase efficiency. The average basic rate decreased during 2005 (Table 1).

In 2005, the cost to transport the 217,263,872 litres of milk marketed amounted to $4,410,899.86, or an average of $2.03 per hectolitre, compared to $2.19 per hectolitre the year previous.

The transportation cost comparison is presented in Table 1.

Table 1 (unaudited)

Transportation Volumes and Rates 2001 – 2005

Year	Volume Transported (litres)	Average Rate $/Per Hectolitre
2005	217,263,872	2.03
2004	218,643,243	2.19
2003	207,832,521	2.28
2002	210,142,658	2.29
2001	211,275,018	2.22

The Board acknowledges and appreciates the commitment of bulk milk transporters in achieving an efficient transportation system.

Milk Control Board Activities

The Board members strive to accommodate the interests of producers, processors and consumers as well as other industry stakeholders.

The Board held seven meetings during the year. Board members also spent numerous days attending various committee meetings, as well as maintaining contact with local milk producers and industry organizations. In an effort to further increase communications with milk producers, the number of district meetings was doubled. In addition to the regular five spring meetings, another five meetings were held in the fall of 2005.

Because of the number of fast-moving changes occurring in the industry, the Board considered it vital that producers be kept informed on a more frequent and regular basis.

These meetings provided producers with information on current issues regarding Western Milk Pooling, Multiple Component Pricing, quota policies, quota swapping and other issues the dairy industry should consider. The information obtained from these meetings assisted the Board in developing the appropriate policies and procedures for

Saskatchewan's dairy industry.

Board members and other industry representatives attended five meetings of the Canadian Milk Supply Management Committee. A most significant activity was to strengthen and test the methodology used to forecast future supply and demand circumstances so that the domestic supply management system can respond more quickly to changing market circumstances.

During 2005, the Board's Western Milk Pool Coordinating Committee participated in four meetings. The Western Milk Pool provinces negotiated and implemented an arrangement with Saputo Inc. to ensure producers have a Plant of Last Resort (PLR) to absorb surplus milk in return for a guaranteed supply of high quality milk for the processor. Another complementary PLR Agreement was negotiated with Parmalat to provide producers in all four provinces with PLR services. The Committee completed its work on the mechanism to be used in harmonizing Class 1 (fluid) prices within the Western Milk Pool.

Over the past year, communications with producers have received a high priority to address the broad range of changes regarding producers. It has been especially important to keep producers abreast of developments and to respond to inquires as the industry adjusts to new quotas, pricing and World Trade Organization rulings. The Saskatchewan Milk Control Board monthly newsletter is a publication that strives to provide information in a timely and concise manner. It serves to keep stakeholders informed of developments pertaining to marketing and other issues. Feedback indicates that this has been effective in improving the communication link between the Board and producers.

Because of the special information needs associated with the new quota management system, separate policy bulletins were distributed to all producers throughout the dairy year.

In addition to these traditional communication vehicles, the Board operates a website to serve as a means to further strengthen communications with the industry's many stakeholders.

During the year, the Board developed and implemented its strategic plan to add discipline to its operational performance, and to improve Board governance.

Another major initiative undertaken in the year was to start the process of consolidating the quota management and producer payment systems within the Board office.

This conversion, to be completed next year entails the development and installation of a new producer payment software program, and the transfer of responsibility from Agrifoods International Cooperative Ltd. (the Board's agent) to the Board's direct administration.

At year-end, there were five people on the Board's permanent staff. The Board wishes to thank the staff for their hard work and loyalty during another very busy year.

Legislation

The pricing of milk for fluid purposes is a Board responsibility. The Board's primary objective is to provide efficient producers and processors with a fair return to labour, management and investment. The Federal Government has jurisdiction over the industrial milk pricing, administered through a federal-provincial agreement known as the National Milk Marketing Plan and the Comprehensive Agreement on Pooling of Milk Revenues.

Board Finances

Financing of the operation of the Board was derived from assessment fees levied on producers and processors, processor license fees, quality penalties and interest in investments.

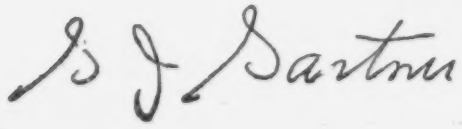
Management Report 2005

The management of the Milk Control Board of Saskatchewan is responsible for the reliability and integrity of the accompanying financial statements and all other information in this Annual Report. It is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The Board of Directors is responsible for overseeing the business affairs of the Milk Control Board, including management's financial reporting responsibilities and for reviewing and approving the financial statements and other financial information included in this Annual Report. The Board meets with management and the Provincial Auditor to discuss matters related to financial processes, systems of control and compliance with governing authorities.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The financial statements have been audited by the Provincial Auditor Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on the following page.



Gerry Gartner
Chief Executive Officer
Regina, Saskatchewan
February 20, 2006

J.A. Frass
Administrative Officer

MILK CONTROL BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

SASKATCHEWAN

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the balance sheet of the Milk Control Board as at December 31, 2005 and the statements of revenue, expenses and net assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
February 20, 2006

Fred Wendel, CMA, CA
Provincial Auditor

MILK CONTROL BOARD
BALANCE SHEET
As at December 31

	2005	2004
ASSETS		
Cash	$ 1,924,467	$ 2,393,729
Accounts receivable	9,058,542	8,176,825
	10,983,009	10,570,554
Capital assets (Note 3)	205,521	7,621
	$11,188,530	$10,578,175
LIABILITIES AND NET ASSETS		
Accounts payable	$10,734,221	$10,265,891
Net assets (Statement 2)	454,309	312,284
	$11,188,530	$10,578,175

(See accompanying notes to the financial statements)

MILK CONTROL BOARD
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
Year Ended December 31

	Budget 2005 (Note 6)	Actual 2005	Actual 2004
Revenue:			
Milk sold to processors	$147,000,000	$147,133,880	$140,251,432
Milk Pools (Note 4)	(1,000,000)	(2,578,174)	(1,646,966)
Milk Pool administration and assessment fees	766,052	763,188	768,058
Interest	45,000	52,754	36,539
Milk quality penalties	94,600	153,731	86,961
Licence fees and miscellaneous	1,775	2,865	2,789
	146,907,427	145,528,244	139,498,813
Expenses:			
Milk purchased from producers	146,000,000	144,555,706	138,604,465
Salaries	315,000	318,841	332,555
Milk pool administration expense	100,080	98,453	119,901
Disposal of unsaleable milk	96,000	109,856	79,132
Travel, sustenance and vehicle expense	109,400	111,112	101,134
Rent	45,416	41,696	48,410
Legal	10,000	14,606	5,965
Employee benefits	59,992	44,743	53,095
Honoraria	34,350	40,836	44,418
Milk Pay System	50,000	---	---
Administrative expense	26,155	32,513	27,898
Cost of production study	15,000	14,826	9,837
Amortization	15,000	3,031	5,584
Bad Debt	---	---	2,750
	146,876,393	145,386,219	139,435,144
Surplus for the year	$ 31,034	142,025	63,669
Net assets, beginning of year		312,284	248,615
Net assets, end of year - to Statement 1		$ 454,309	$ 312,284

(See accompanying notes to the financial statements)

MILK CONTROL BOARD
STATEMENT OF CASH FLOWS
Year Ended December 31

	2005	2004
Cash Flows From Operating Activities:		
Cash receipts from customers, interest and fees	$ 144,655,527	$138,652,476
Cash paid to suppliers, employees and board members	(144,923,858)	(137,217,209)
Cash flows from operating activities	(268,331)	1,435,267
Cash Flow From Investing Activities:		
Purchase of assets	(200,931)	(5,649)
Net (decrease)/increase in cash during the year	(469,262)	1,429,618
Cash position, beginning of year	2,393,729	964,111
Cash position, end of year	$ 1,924,467	$ 2,393,729

(See accompanying notes to the financial statements)

MILK CONTROL BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2005

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are as follows:

a) Revenue Recognition

Revenue from milk sold to processors is recognized when milk is delivered to processors.

b) Capital Assets

Office furniture and equipment is recorded at cost less accumulated amortization.

Office furniture and equipment is amortized over its estimated useful life using the straight-line method at 20% per annum.

2. Incorporation

The Milk Control Board (Board) is continued as a body corporate under *The Milk Control Act, 1992* (Act). The Board has authority to make any regulations or orders in connection with the production, supply, distribution and sale of milk.

The Board is responsible under the Act for the control and regulation of the marketing of milk in the province. In fulfilling this responsibility, the Board operates a milk pooling system whereby the Board purchases all milk produced in the province and sells it to processors. The Board's agent, Agrifoods International Cooperative Limited, administers the necessary collections and payments. The purchase price paid by the Board is based on the quality and quantity of milk shipped by producers and on the value of milk sold to processors. The value of milk sold to processors is determined by its final product use and prices established by the Board.

3. Capital Assets

	Cost	Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
Office furniture and equipment	$242,867	$37,346	$205,521	$ 7,621

Included in the cost and net book value of the office furniture and equipment is $200,931 (2004 - $0) of assets that were not amortized because they were not ready for use.

4. Milk Pools

Effective August 1, 1995 (and continued August 1, 2003), the Board entered into an arrangement with its counterparts in Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Alberta, and British Columbia and the Canadian Dairy Commission (CDC). This arrangement provides for pooling of revenues from sales of milk components in industrial and special classes of milk sold in domestic and external markets. CDC administers the Industrial and Special Class Pool.

Effective March 1, 1997, the Board entered into an arrangement with its counterparts in British Columbia, Alberta and Manitoba and CDC. This arrangement provides for pooling of all revenues from sales of Fluid Milk and Industrial Milk, including special classes, by producers to processors in the four western provinces. The purpose of the arrangement is to pool producer returns as if the western provinces constituted a single market. CDC administers the Western Milk Pool.

Based on each province's monthly utilization, CDC will either distribute a portion of, or require a contribution to, the Industrial and Special Class Pool and Western Milk Pool.

5. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

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5. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common control or significant influence by the Government of Saskatchewan.

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions are as follows:

	2005	2004
Various expenses	$ 80,312	$ 82,010

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

6. Budget

The budget for the 2005 year was approved by the Board on January 27, 2005.

7. Financial Instruments

a) Fair Value

The Board's financial instruments include accounts receivable and accounts payable. These financial instruments are non-interest bearing and are due or payable within the next year. Due to this short-term maturity, the carrying value of these financial instruments approximates fair value.

b) Concentration of Credit Risk

The Board is subject to credit risk as all of the Board's milk sales are to one processor.

Table II (unaudited)

Total Whole Milk Requirements, Number of Milk Producers and Average Daily Production - 2004 & 2005 (litres)

Month	Year	Whole Milk Requirements	Total Production	Number of Producers	Daily Average Per Producer
January	2004	7,230,027	18,186,407	283	2,073
	2005	7,201,524	18,652,207	271	2,220
February	2004	6,546,288	17,326,936	281	2,202
	2005	6,303,044	17,113,647	271	2,255
March	2004	7,319,388	18,812,092	281	2,160
	2005	7,149,658	18,985,079	268	2,285
April	2004	6,956,858	18,378,870	280	2,188
	2005	6,828,437	18,268,350	266	2,289
May	2004	6,951,279	19,082,187	281	2,190
	2005	7,061,394	18,869,120	261	2,332
June	2004	6,736,074	18,416,869	281	2,185
	2005	6,667,214	18,166,979	258	2,347
July	2004	6,610,366	18,829,901	281	2,162
	2005	6,425,316	18,506,425	258	2,314
August	2004	6,778,332	18,839,941	278	2,186
	2005	7,064,431	18,255,182	259	2,274
September	2004	6,945,073	17,538,077	276	2,118
	2005	6,963,297	17,239,728	258	2,227
October	2004	7,323,141	17,860,980	276	2,088
	2005	7,266,125	17,483,505	257	2,194
November	2004	7,295,880	17,223,870	272	2,111
	2005	6,708,443	17,137,033	258	2,214
December	2004	7,541,577	18,147,113	271	2,160
	2005	7,250,406	18,586,617	258	2,324
TOTALS	2004	84,234,284	218,643,243	278	2,152
	2005	82,889,290	217,263,872	262	2,273
% Change		**-1.60%**	**-0.63%**	**-5.93%**	**5.63%**

Table III (unaudited)

Total Kilograms of Butterfat Shipped in Saskatchewan by Month and Dairy Year

Month	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
August	628,363	611,180	628,414	618,332	682,384
September	626,826	610,121	606,639	624,484	655,806
October	654,091	646,263	645,898	655,501	686,414
November	631,687	635,933	629,994	649,967	666,103
December	662,062	663,513	659,432	674,951	697,978
January	662,932	670,534	667,091	684,064	706,230
February	605,009	608,621	600,544	645,190	636,937
March	674,304	680,624	665,213	697,791	704,756
April	648,820	654,281	630,799	681,723	674,493
May	657,322	669,209	644,986	697,966	705,291
June	626,199	625,588	627,632	665,504	670,658
July	633,859	614,202	637,531	673,567	679,104
Total	7,711,474	7,690,069	7,644,173	7,969,038	8,166,154

Butterfat reported is based on total butterfat shipped by Saskatchewan producers.

Table IV (unaudited)

Total Sales of Milk & Cream in Litres by Size of Container
January 1, 2005 – December 31, 2005

Size of Containers	Year	Fluid Products	% of Total	Cream Products	% of Total	Total Products	Total %
20 litre	2004	663,600	0.83	0	0.00	663,600	0.79
	2005	582,980	0.74	0	0.00	582,980	0.71
10 litre	2004	28,370	0.04	634,170	17.11	662,540	0.79
	2005	34,950	0.04	842,590	21.52	877,540	1.06
4 litre	2004	49,973,492	62.27	0	0.00	49,973,492	59.52
	2005	51,647,404	65.61	0	0.00	51,647,404	62.50
2 litre	2004	22,067,358	27.50	0	0.00	22,067,358	26.28
	2005	19,325,688	24.55	0	0.00	19,325,688	23.39
1 litre	2004	5,172,573	6.45	1,075,539	29.01	6,248,112	7.44
	2005	4,988,448	6.34	1,182,548	30.18	6,170,996	7.47
500 ml	2004	1,297,928	1.62	1,230,414	33.19	2,528,342	3.01
	2005	1,118,617	1.42	1,239,970	31.65	2,358,587	2.85
475 ml	2004	16	0.00	0	0.00	16	0.00
	2005	0	0.00	0	0.00	0	0.00
473 ml	2004	0	0.00	4,622	0.12	4,622	0.01
	2005	0	0.00	0	0.00	0	0.00
350 ml	2004	12,088	0.02	0	0.00	12,088	0.01
	2005	3,070	0.00	0	0.00	3,070	0.00
250 ml	2004	952,773	1.19	165,629	4.47	1,118,402	1.33
	2005	961,231	1.22	170,229	4.34	1,131,460	1.37
200 ml	2004	1,286	0.00	0	0.00	1,286	0.00
	2005	355	0.00	0	0.00	355	0.00
120 ml	2004	63,465	0.08	0	0.00	63,465	0.08
	2005	43,241	0.05	1,699	0.04	44,940	0.05
Creamettes	2004	14,855	0.02	596,495	16.09	611,350	0.73
	2005	7,758	0.01	480,853	12.27	488,611	0.59
Totals	2004	80,247,804	100.00	3,706,869	100.00	83,954,673	100.00
	2005	78,713,742	100.00	3,917,889	100.00	82,631,631	100.00

Table V (unaudited)

Provincial Average Tests for Butterfat, Protein & Solids Non-Fat by Month - 2004 & 2005

Month	Year	Butterfat	Protein	Solids Non-Fat
January	2004	3.7814	3.3521	5.7642
	2005	3.7863	3.3238	5.7289
February	2004	3.7236	3.3413	5.7576
	2005	3.7218	3.2763	5.7639
March	2004	3.7093	3.3154	5.7849
	2005	3.7122	3.2790	5.7509
April	2004	3.7092	3.3257	5.7726
	2005	3.6921	3.2569	5.7681
May	2004	3.6577	3.3223	5.7734
	2005	3.7378	3.2549	5.7904
June	2004	3.6136	3.2829	5.7780
	2005	3.6916	3.2211	5.7841
July	2004	3.5771	3.1981	5.7888
	2005	3.6695	3.2087	5.6779
August	2004	3.6220	3.2176	5.7065
	2005	3.6817	3.2837	5.6365
September	2004	3.7390	3.3060	5.6770
	2005	3.7515	3.3373	5.6683
October	2004	3.8431	3.3705	5.6773
	2005	3.9031	3.4503	5.6424
November	2004	3.8673	3.3646	5.6863
	2005	3.8803	3.4206	5.6574
December	2004	3.8460	3.3810	5.6990
	2005	3.8593	3.3764	5.6789
Weighted Ave. Tests	2004	3.7206	3.3138	5.7398
	2005	3.7124	3.3059	5.7176
% Change		-0.22	-0.24	-0.39